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Electronic Mail

December 20, 2004

Ms. Jean A. Webb  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street NW  
Washington, D.C. 20581

RE: Rule Certification

Dear Ms. Webb:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(1) and Commodity Futures Trading Commission (ACommission@) Regulation 40.6(a), the Minneapolis Grain Exchange (AMGEX@) hereby certifies that the attached amended Rules 1800.00., 1801.00., 1804.00., 1812.00., 1814.00 and 1816.00. comply with the CEAct and the regulations thereunder. Additions have been underlined while deletions have been crossed-out.

The purpose for amending the Rules is to clarify electronic trading user obligations and MGEX liabilities.

Pursuant to the authority and procedures of MGEX Rule 204.01., the Board of Directors and the Ownership by an overwhelming majority approved amending the Rules. The MGEX plans to implement the changes the next business day after receipt of this notification to the Commission.

If there are any questions regarding this submission, please contact me at (612) 321-7166. Thank you for your attention to this matter.

Sincerely,

Mark G. Bagan  
Vice President,  
Market Administration

Enclosure  
cc: Anne Reuter

## **1800.00. APPLICABILITY OF RULES AND REGULATIONS.**

The Rules contained in this Chapter govern those Exchange contracts which are traded through the Electronic Trading System. To the extent that the provisions in this Chapter conflict with Rules and Regulations in other sections of this Rulebook, this Chapter supersedes such Rules and Regulations and governs the manner in which contracts are traded through the Electronic Trading System. Otherwise, contracts traded on the Electronic Trading System, as well as customers, Members, nonmembers and Clearing Members, are fully subject to applicable Rules, and Regulations, Resolutions, Interpretations, customs and usages of the Exchange unless specifically and expressly excluded therefrom. Customers, Members, nonmembers and Clearing Members must also abide by the Commodity Exchange Act and the regulations promulgated thereunder, and any other applicable jurisdiction's laws, rules or regulations.

## **1801.00. ACCESS AND CLEARING MEMBER GUARANTEE.**

All Members and nonmembers must sign a customer account agreement and establish an account with an Exchange Clearing Member before they are provided access and commence trading on the Electronic Trading System. However, Members or nonmembers who exclusively trade through an omnibus account at an Exchange Clearing Member will not be required to sign a customer account agreement with the Exchange Clearing Member. A Clearing Member guarantees and assumes financial responsibility for all orders it places and receives, and all contracts it clears through the Electronic Trading System. Further, Clearing Members shall promptly pay all fees and charges invoiced for the Electronic Trading System.

## **1804.00. MISUSE OF ELECTRONIC TRADING SYSTEM.**

Misuse of the Electronic Trading System is strictly prohibited. It shall be deemed an act detrimental to the interest and welfare of the Exchange to willfully or negligently engage in unauthorized use of the Electronic Trading System, to assist any person in obtaining unauthorized access to the Electronic Trading System, to trade on the Electronic Trading System without an agreement and an established account with a Clearing Member, to alter the equipment associated with the system, to interfere with the operation of the system, to intercept or interfere with information provided thereby, or in any way to use the system in a manner contrary to the rules, regulations and procedures of the Exchange.

Customers, Members, nonmembers and Clearing Members may not distribute, sell or retransmit information displayed on the Electronic Trading System to any third party.

## **1812.00. DISCIPLINARY PROCEDURES.**

All suspensions, expulsions and other restrictions imposed upon a Member or Clearing Member by the Exchange pursuant to disciplinary procedures contained in the Exchange's Rules and Regulations shall restrict with equal force and effect access to the usage of the Electronic Trading System by such Member or Clearing Member.

Customers, Members, nonmembers and Clearing Members shall promptly respond, provide documentation, and cooperate in all inquiries by the Exchange. Failure to do so shall subject the person or entity to disciplinary procedures, including immediate termination of access to the Electronic Trading System.

#### **1814.00. SYSTEM SECURITY.**

Each customer, Member and Clearing Member shall be responsible for the security of their terminals having access to the Electronic Trading System and will be held liable for each order transmitted from any such terminals to the Electronic Trading System and any trade subsequently executed.

Each person assigned an individual user name and password shall not disclose such identifiers to any other person or permit any other person access to the Electronic Trading System using such person's individual user name and password. Each person shall be responsible for monitoring the security of their individual identifier.

#### **1816.00. ELECTRONIC TRADING SYSTEM LIMITATION OF LIABILITY.**

Except in instances where there has been a finding of willful or wanton misconduct, in which case the party found to have engaged in such conduct cannot avail itself of the protections in this Rule, neither the Exchange, the Clearing House, Members, Clearing Members, other persons acting as agents nor any of their officers, directors or employees, shall be liable for any losses, damages or costs, including direct, indirect, special, incidental or consequential damages, and lost profits, regardless of whether any of them had been advised or otherwise made aware of the possibility of such damages, arising out of the use or performance of the Electronic Trading System, any component(s) thereof, or any fault, failure, malfunction or other alleged defect in the Electronic Trading System, including any inability to enter or cancel orders in the Electronic Trading System, or any fault in delivery, delay, omission, suspension, inaccuracy or termination, or any other cause in connection with the furnishing, performance, maintenance, use of or inability to use all or any part of the Electronic Trading System, including but not limited to, any failure to delay in transmission of orders or loss of orders resulting from malfunction of the Electronic Trading System, disruption of common carrier lines, loss of power, acts or failures to act of any third party, natural disasters or any and all other causes. The Exchange does not guarantee continuous, uninterrupted or secure access to the Electronic Trading System.

Each customer, Member, nonmember and Clearing Member assumes all risks of trading on the Electronic Trading System, and waives any right to assert any claim against the MGEX that access or information was not provided by the MGEX or that access or information provided by the MGEX was improper, inaccurate or inadequate. Further, such customer, Member, nonmember and Clearing Member waives any right to contest the validity or enforceability of any trade executed on the Electronic Trading System, or that access was interrupted or denied, or that orders were delayed or lost.

There are no express or implied warranties or representations provided by the Exchange, the Clearing House, Members, Clearing Members, other persons acting as agents or any of their officers, directors or employees, relating to the Electronic Trading System, including but not limited to, warranties of merchantability and warranties of fitness for a particular purpose or use.